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**COLUMBIA
METALS
CORPORATION
LIMITED**

Annual Report

DECEMBER 31, 1970

Columbia Metals Corporation Limited

OFFICERS	ALLAN J. ANDERSON, Toronto, Ontario, <i>President</i> WALTER W. FISHER, Toronto, Ontario, <i>Vice-President</i> GEORGE D. PATTISON, R.R. No. 2, Aurora, Ontario, <i>Secretary-Treasurer</i> DONALD A. HUMBY, Clarkson, Ontario <i>Assistant Secretary-Treasurer</i>
DIRECTORS	ALLAN J. ANDERSON, Toronto, Ontario FRANKLIN M. DEWEERDT, Toronto, Ontario WALTER FISHER, Toronto, Ontario V. S. RISTIC, Toronto, Ontario GORDON F. WEST, Toronto, Ontario
HEAD OFFICE	34 Adelaide Street West, Toronto 105, Ontario
FIELD OFFICE	Ferguson, British Columbia
REGISTRAR AND TRANSFER AGENT	CANADA PERMANENT TRUST COMPANY 1901 Yonge Street, Toronto, Ontario and 400 Burrard Street, Vancouver, British Columbia
BANKERS	BANK OF MONTREAL, Toronto, Ontario
AUDITORS	THORNE, GUNN, HELLIWELL & CHRISTENSON Toronto, Ontario

Columbia Metals Corporation Limited

DIRECTORS' REPORT

To the Shareholders:

Presented with this report are the financial statements of your Company for the year ended December 31, 1970, with Auditors' Report dated March 15, 1971.

Your Board of Directors is very pleased to report that after many months of planning, the Company's True Fissure silver-lead-zinc property is scheduled to be on a regular production basis before July 1, 1971.

During the past year your Company obtained the services of Mr. J. B. C. Lang, P.Eng., a mining engineer with operational experience within the Province of British Columbia. Mr. Lang improved the mining and milling plans for the property and achieved substantial capital cost reductions by installing the mill on surface and by mining on an open pit basis. Mr. Lang will remain to supervise the entire operation of the property to ensure supervisory continuity.

In spite of the softening world metal markets during the past winter, your Company was able to negotiate attractive sales contracts for the Company's silver-lead and zinc concentrates. These contracts permit the Company to benefit from any increase in metal prices.

All the necessary planning has been finalized, the required financing has been arranged, the mill is in the tune-up stage and the open pit mining scheduled to commence on or before June 1, 1971.

The current program on the True Fissure property is designed to produce sufficient cash flow to finance the exploration of the other properties held by your Company.

Your Board of Directors wishes to express its appreciation to the Company's employees for their diligent efforts during the past year.

On behalf of the Board,

ALLAN J. ANDERSON,
President.

Toronto, Ontario,
May 21, 1971.

Columbia Metals Corporation Limited

(Incorporated under the laws of Ontario)

BALANCE SHEET — DECEMBER 31, 1970

(with comparative figures at December 31, 1969)

	ASSETS	
	1970	1969
Current Assets		
Cash including term deposits	\$ 102,951	\$ 17,344
Accounts receivable	605	
Prepaid expenses		2,059
	<u>103,556</u>	<u>19,403</u>
Funds Held for Construction		
Cash including term deposits held for mill construction		190,000
Fixed Assets		
Mining claims (note 1)	109,422	111,422
Buildings, machinery and equipment (note 2)	225,070	185,822
	<u>334,492</u>	<u>297,244</u>
Deferred Expenditures		
Exploration, development and administrative expenditures	1,008,056	781,443
Organization expense	4,920	4,920
	<u>1,012,976</u>	<u>786,363</u>
	<u>\$1,451,024</u>	<u>\$1,293,010</u>
	LIABILITIES	
Current Liabilities		
Accounts payable and accrued liabilities	\$ 59,851	\$ 48,298
Non-Current Liabilities		
Advances by Yellowknife Bear Mines Limited, repayable only out of production, and due by instalments equal to 10% of net smelter receipts (note 3)	<u>383,462</u>	<u>383,462</u>
	SHAREHOLDERS' EQUITY	
Capital Stock (note 4)		
Authorized — 4,000,000 shares of \$1 each		
Issued — 3,609,836 shares (1969 — 3,309,836 shares)	3,609,836	3,309,836
Less discount	2,422,186	2,272,186
	<u>1,187,650</u>	<u>1,037,650</u>
Deficit	<u>179,939</u>	<u>176,400</u>
	<u>1,007,711</u>	<u>861,250</u>
	<u><u>\$1,451,024</u></u>	<u><u>\$1,293,010</u></u>

Approved by the Board:

“W. W. FISHER”, Director.

“V. S. RISTIĆ”, Director.

Columbia Metals Corporation Limited

STATEMENT OF DEFICIT
Year Ended December 31, 1970
 (with comparative figures for 1969)

	1970	1969
Deficit at beginning of year	<u>\$ 176,400</u>	<u>\$ 176,400</u>
Add amounts written off on abandonment of mining claims in Joliette Township, Quebec		
Cost of claims	2,000	
Exploration expenditures	1,539	
Deficit at end of year	<u><u>\$ 179,939</u></u>	<u><u>\$ 176,400</u></u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
Year Ended December 31, 1970
 (with comparative figures for 1969)

Source of funds	1970	1969
Capital stock issued for cash	<u>\$ 150,000</u>	<u>\$ 330,000</u>
Application of funds		
Expenditures (net) for the year	228,152	193,490
Purchase of equipment (net)	39,248	82,721
Purchase of mining claims	6,800	
	<u>267,400</u>	<u>283,011</u>
Increase (decrease) in funds held*	(117,400)	46,989
Funds held* at beginning of year	<u>161,105</u>	<u>114,116</u>
Funds held* at end of year	<u><u>\$ 43,705</u></u>	<u><u>\$ 161,105</u></u>

* Funds held consist of current assets and funds held for construction, less current liabilities.

AUDITORS' REPORT

To the Shareholders of
COLUMBIA METALS CORPORATION LIMITED

We have examined the balance sheet of Columbia Metals Corporation Limited as at December 31, 1970 and the statements of exploration, development and administrative expenditures deferred, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
 March 15, 1971.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
 Chartered Accountants.

Columbia Metals Corporation Limited

STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED

Year Ended December 31, 1970

(with comparative figures for 1969)

	1970	1969
Exploration and development		
Road construction and maintenance	\$ 28,414	\$ 44,817
Lease of equipment	16,128	5,802
Raises	6,621	
Trenching and stripping	4,314	
Explosives and rock removal	14,529	377
Adit and crosscut		13,630
Permanent bulkheads and doors		3,261
Other development expenses	2,256	1,771
Maintenance — plant, yard and trailer camp	22,749	8,500
Meals, lodging and camp supplies	18,886	12,577
Motor vehicle expenses	8,300	4,670
Engineering, geology and drafting	52,844	57,793
Travel	6,072	8,935
Mine office salaries and wages	13,585	4,070
Mine office supplies and expenses	5,364	1,957
	200,062	168,160
Administrative and other		
Salaries		3,151
Directors' fees	1,650	1,400
Management and consultants' fees	8,460	8,642
Travel	793	988
Legal fees and expenses	4,317	2,910
Accounting and audit fees	7,400	3,963
Shareholders' information	6,513	7,162
Transfer agent and registrar fees	1,833	1,638
Listing fees and expenses	688	1,600
Miscellaneous	2,734	1,728
	34,388	33,182
Deduct interest received	234,450	201,342
	6,298	7,852
Expenditures (net) for the year	228,152	193,490
Deduct		
Equipment rentals paid in prior years transferred to equipment on purchase		18,500
Exploration expenditures written off on abandonment of mining claims in Joliette Township, Quebec	1,539	
	226,613	174,990
Expenditures deferred at beginning of year	781,443	606,453
Expenditures deferred at end of year	\$ 1,008,056	\$ 781,443

Columbia Metals Corporation Limited

NOTES TO FINANCIAL STATEMENTS

December 31, 1970

	1970	1969
1. MINING CLAIMS		
Claims held under Crown grant and miner's certificate in the Kootenay District, British Columbia, consisting of \$61,870 cost to predecessor company, \$15,251 cash paid by the company and 275,000 shares of capital stock issued at 10¢ per share	\$ 104,622	\$ 104,622
Unpatented claims in the Joliette Township, Quebec, acquired for cash	2,000	
Unpatented claims in the District of Kamloops, British Columbia acquired for cash and a royalty of 5% of the net profits from commercial production from the mining claims	4,800	4,800
	<hr/> <u>\$ 109,422</u>	<hr/> <u>\$ 111,422</u>

2. BUILDINGS, MACHINERY AND EQUIPMENT

Buildings and equipment costing \$370,564 were written down to \$30,000 at June 30, 1963 in recognition of the physical deterioration which had occurred over a period of years. From June 30, 1963 to December 31, 1970 expenditures on purchase of buildings, machinery and equipment have amounted to \$195,070.

3. ADVANCES BY YELLOWKNIFE BEAR MINES LIMITED

Under an agreement with Yellowknife Bear Mines Limited dated January 26, 1953, the company's liabilities under its mortgages and notes were reduced to the amount paid by Yellowknife Bear Mines Limited to acquire the obligations and Yellowknife Bear Mines Limited undertook certain exploration work upon the company's properties. Amounts expended by Yellowknife Bear Mines Limited in acquiring such obligations and in exploration are to be repaid, without interest, commencing upon bringing the property into production.

4. CAPITAL STOCK

During the year ended December 31, 1970 300,000 shares of the company's capital stock were issued for \$150,000 cash (1969 — 433,332 shares for \$330,000 cash).

5. OTHER STATUTORY INFORMATION

Remuneration of directors and senior officers (as defined by The Business Corporations Act, 1970 of Ontario) amounted to \$34,171 in 1970 and \$21,117 in 1969.

6. COMPARATIVE FIGURES

The 1969 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1970.



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